

Message Text

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ACTION ARA-14

INFO OCT-01 EUR-12 ISO-00 FEA-01 PA-01 PRS-01 ERDA-05

AID-05 CEA-01 CIAE-00 COME-00 DODE-00 EB-08

FPC-01 H-01 INR-07 INT-05 L-03 NSAE-00 NSC-05

OMB-01 PM-05 USIA-06 OES-07 SP-02 SS-15 STR-05

TRSE-00 ACDA-12 HA-05 DLOS-09 FRB-03 XMB-02

OPIC-03 LAB-04 SIL-01 /151 W

-----035589 022033Z /53

R 021805Z DEC 77

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 227

INFO AMEMBASSY BOGOTA

AMEMBASSY MOSCOW

AMEMBASSY GEORGETOWN

USCINCSO QUARRY HEIGHTS

USCINCLANT NORFOLK, VAM

C O N F I D E N T I A L SECTION 1 OF 2 CARACAS 11721

E.O. 11652: GDS

E.O. 11652: PDIP, PINT, PGOV, ENGR, VE

SUBJECT: THIS WEEK IN VENEZUELA

REF: CARACAS 11449

SUMMARY: VENEZUELA'S OIL PRODUCTION DROPS. GUAYANESE FOREIGN MINISTER WILLIS ARRIVES IN VENEZUELA FOR TALKS. COPEI LEADS OPPOSITION AGAINST PROPOSED CONSTITUTIONAL AMENDMENT THAT WOULD BROADEN THE POLITICAL RIGHTS OF NATURALIZED VENEZUELANES. SOVIET DELEGATION VISITS VENEZUELA. CALDERA AND BETANCOURT JOINTLY REAFFIRM THEIR CAMPAIGN ROLES.

1. VENEZUELA'S OIL PRODUCTION DROPS.

CRUDE OIL PRODUCTION DROPPED TO 1.96 MILLION

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BARRELS PER DAY FOR THE WEEK ENDING NOVEMBER 23, THE LOWEST WEEKLY AVERAGE SINCE THE EARLY MONTHS OF 1976. THE DECLINE IS ATTRIBUTED PRIMARILY TO DIFFICULTIES IN SELLING RESIDUAL FUEL OIL, VENEZUELA'S PRINCIPAL OIL PRODUCT EXPORT, WHICH IS CONSIDERED TO BE OVERPRICED BY MAJOR BUYERS. IF PRODUCTION REMAINS AT ABOUT THIS LEVEL THROUGH

THE MONTH OF DECEMBER, WHICH NOW APPEARS LIKELY, AVERAGE PRODUCTION FOR THE YEAR WILL BE IN THE 2.25 MILLION B/D RANGE. WHILE THIS IS ONLY 2 PERCENT BELOW THE GOV'S TARGET FOR THE YEAR, IT REPRESENTS A LOSS OF ABOUT \$200 MILLION IN FOREIGN EXCHANGE EARNINGS.

2. GUAYANESE FOREIGN MINISTER WILLS ARRIVES IN VENEZUELA FOR TALKS.

GUAYANA'S FOREIGN MINISTER FRED WILLS ARRIVED NOVEMBER 30 IN CARACAS TO BEGIN THREE DAYS OF TALKS WITH GOVE OFFICIALS, INCLUDING PRESIDENT PEREZ, FON MIN SIMON ALBERTO CONSALVI AND CONGRESS PRESIDENT GONZALO BARRIOS. WILL'S PARTY INCLUDES GUAYANESE ATTORNEY GENERAL MOHAMED SHABUDDEN, MINISTRY OF FINANCE DIRETOR W. MURRY, FOREIGN OFFICE POLICY ANALYST L. SEARWAR AND SEVERAL REPRESENTATIVES OF GUYOIL, GUYANA'S OIL ENTERPRISE. COMMENT: WE EXPECT TALKS TO CENTER ON THE VENEZUELAN-GUYANA BORDER DISPUTE. PRESIDENT PEREZ HAS REITERATED HIS DESIRE, MOST RECENTLY IN HIS TALKS WITH SECRETARY VANCE (REF CARACAS 11457) TO RESOLVE THE BORDER DISPUTE BEFORE HE LEAVES OFFICE. TO THIS END, PEREZ IS APPARENTLY PREPARED TO PRESENT A NEW PROPOSITION FOR TERRITORIAL ADJUSTMENTS AND ALSO PROPOSE

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A JOINT DEVELOPMENT PLAN FOR THE NAZERUNI REGION TO FON MIN WILLS. END COMMENT.

3. COPEI LEADS OPPOSITION AGAINST PROPOSED CONSTITUTIONAL AMENDMENT THAT WOULD BROADEN THE POLITICAL RIGHTS OF NATURALIZED VENEZUELAN.

THE ACCION DEMOCRATICA (AD) PARTY INTRODUCED A CONSTITUTIONAL AMENDMENT BEFORE TH CONGRESS ON NOVEMBER 28 THAT WOULD EXTEND THE POLITICAL RIGHTS OF NATURALIZED VENEZUELAN CITIZENS. THIS AMENDMENT WOULD ALLOW NATURALIZED CITIZENS TO BE ELECTED OR APPOINTED TO ALL GOVERNMENT OFFICES EXCEPT THOSE OF THE PRESIDENCY, CONGRESSIONAL PRESIDENCY AND VICE PRESIDENCY, THE SUPREME COURT PRESIDENCY, THE MINISTRIES OF DEFENSE, FOREIGN RELATIONS AND INTERIOR, AND CERTAIN HIGH POSITIONS WITHIN THE ARMED FORCES. PASSAGE OF THE AMENMENT REQUIRES TWO-THIRDS APPROVAL OF BOTH HOUSES OF THE CONGRESS AND ALL THE STATE LEGISLATURES. AD WHICH LAIMS THAT IT IS ONLY FULFILLING A CAMPAIGN PROMISE MADE BY PRESIDENT PEREZ FOUR YEARS AGO FACES A STIFF BATTLE FOR RATIFICATION

OF THE AMENDMENT. WHILE AD HOLDS A MAJORITY IN BOTH HOUSES, THE RULES OF THE POLITICAL GAME IN VENEZUELA REQUIRE THE COOPERATION OF THE OTHER PARTIES OR, AT LEAST, THE COPEI PARTY. ON THIS ISSUE, HOWEVER, ALL OF THE OPPOSITION PARTIES LED BY COPEI HAVE DECLARED THEIR INTENTION TO VOTE AGAINST THE AMENDMENT. COPEI LEADERS ISSUED A STATEMENT THAT SAID THEIR PARTY AGREES IN SUBSTANCE WITH THE AMENDMENT BUT THAT THE TIMING OF IT IS INOPPORTUNE. THEY CLAIM THAT ITS INTRODUCTION BY AD "AT THE LAST MINUTE OF THE LAST LEGISLATIVE SESSION OF THE YEAR AND ON THE EVE OF A PRESIDENTIAL CAMPAIGN" IS A BLATANT POLITICAL MOVE BY AD AIMED AT CAPTURING THE "NATIONALIZADOS" VOTE IN THE

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UPCOMING ELECTION.

COMMENT: ALTHOUGH THE AMENDMENT HAS NOT YET BEEN VOTED UPON, MANY AD LEADERS CONCEDED ITS DEFEAT. THEY ARE BITTER TOWARD COPEI ABOUT THE ISSUE SINCE COPEI INITIALLY OFFERED COOPERATION IN ITS PASSAGE. FURTHER, THE AMENDMENT IS THE PRODUCT OF A PREVIOUS COMPROMISE BETWEEN AD AND COPEI.

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-----074733 070416Z /62

R 021805Z DEC 77

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 228

INFO AMEMBASSY BOGOTA

AMEMBASSY MOSCOW

ZE/AMEMBASSY GEORGETOWN 873
USCINCSO QUARRY HEIGHTS
USCINCLANT NORFOLK, VA.

C O N F I D E N T I A L SECTION 2 OF 2 CARACAS 11721

C O R R E C T E D C O P Y (MRN SHUD READ 11721 VICE 1721)

4. SOVIET DELEGATION VISITS VENEZUELA.

A FOUR MEMBER DELEGATION OF THE USSR SUPREME SOVIET, HEADED BY K.A. KHALILOV, DEPUTY CHAIRMAN OF THE SUPREME SOVIET PRESIDUM, ARRIVED IN CARACAS FOR AN OFFICIAL SIX DAY VISIT. OTHER MEMBERS OF THE GROUP INCLUDED SUPREME SOVIET DEPUTIES G.P. BOGOMYAKOV, V.G. LOMONOSOV, AND N.P. TIMCHUK. THE VISIT IS BEING MADE AT THE INVITATION OF THE VENEZUELAN NATIONAL CONGRESS, WHICH HAD PREVIOUSLY SENT A DELEGATION TO THE SOVIET UNION HEADED BY CONGRESS PRESIDENT GONZALO BARRIOS.

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5. CALDERA AND BETANCOURT JOINTLY REAFFIRM THEIR CAMPAIGN ROLES.

IN A JOINT STATEMENT CARRIED IN THE CARACAS PRESS NOVEMBER 30, FORMER PRESIDENTS RAFAEL CALDERA AND ROMULO BETANCOURT 1) DENIED THAT THEY HAD EVER DISCUSSED THE POSSIBILITY THAT THEY WOULD MUTUALLY REFRAIN FROM PARTICIPATING ACTIVELY IN THEIR RESPECTIVE PARTY CAMPAIGNS; 2) DENIED FURTHER THAT CALDERA HAD EVER DISCUSSED SUCH AN EVENTUALITY WITH HIS PARTY COLLEAGUES; AND 3) REAFFIRMED THAT THEY WOULD PARTICIPATE IN THE CAMPAIGNS OF THEIR RESPECTIVE CANDIDATES, LUIS HERRERA CAMPINS (COPEI) AND LUIS PINEIRA ORDAZ (AD).

COMMENT: AS THE FOUNDING FATHERS OF THEIR RESPECTIVE PARTIES, AND TWO MOST RESPECTED POLITICAL FIGURES OF VENEZUELAN DEMOCRACY, BETANCOURT AND CALDERA CONSULT REGULARLY AND SUCH A JOINT ANNOUNCEMENT THEREFORE IS NOT THAT UNUSUAL. WHAT IS NOTEWORTHY IS THAT THE TWO LEADERS FELT IT NECESSARY TO FORMALLY DENY A NOVEMBER 29 "EL NACIONAL" STORY CLAIMING NEITHER WOULD CAMPAIGN. THE ORIGINS OF THE "EL NACIONAL" STORY ARE NOT CLEAR. SUCH A SPECULATIVE PIECE MAY HAVE BEEN BASED ON THE RATHER

WIDELY-HELD BELIEF THAT RAFAEL CALDERA IS LESS THAN
TOTALLY ENTHUSIASTIC ABOUT THE HERRERA CANDIDACY.
CALDERA BLOCKED HERRERA'S CANDIDACY IN THE 1973
CAMPAIGN. HE HAS BEEN OUT ON THE HUSTINGS FOR
HERRERA, BUT THE TWO MEN HISTORICALLY HAVE HELD
DIFFERING IDEOLOGICAL POSITIONS.

6. OTHER REPORTING THIS WEEK INCLUDED REVIEW OF
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MILITARY PERSONNEL AGREEMENTS (PEP) WITH GOV (CARACAS 11646);
200 MILE ECONOMIC COASTAL ZONE BILL SENT TO VENEZUELAN
CONGRESS (CARACAS 11645); VENEZUELAN MARITIME BOUNDARIES
(CARACAS 11644), LIST OF NAMES INVOLVING ALLEGED
HUMAN RIGHTS VIOLATIONS IN ARGENTINA (CARACAS 11634);
DEVELOPMENT AND THE PRIVATE SECTOR, VENEZUELA
(CARACAS 11616); EXTRADITION - CARLO BORDONI
(CARACAS 11568); DISCRIMINATION IN CONNECTION
WITH SECURITY ASSISTANCE (CARACAS 11502);
EDUADORAN PURCHASE OF MIRAGE PLANES (CARACAS 11483);;
REIMBURSABLE DEVELOPMENT PROGRAM (CARACAS 11438);
VENEZUELA INCREASES PLEDGE TO IMF SUPPLEMENTARY
FINANCING FACILITY (CARACAS 11638); SELA FOCUSES
ON THE CARIBBEAN (CARACAS 11648); VENEZUELA PLACES
\$75 MILLION YEN ISSUE (CARACAS 11650); GUIDELINES
FOR SIEX APPROVAL OF FOREIGN CREDIT APPLICATIONS
(CARACAS A-170); VENEZUELA FACES THE IMPORT-INFLATION
DILEMMA (CARACAS A-71); CENTRAL BANK FORECASTS
\$550 MILLION PAYMENTS DEFICIT FOR 1977 (CARACAS 11509);
REVISED ECONOMIC INDICATORS (CARACAS A-168); OIL
COMPANY PROBLEMS (CARACAS 11481); AND MAJOR PROJECTS -
ORINOCO RIVER BRIDGE AND PORT EARLY WARNING
(CARACAS 11630).
CROWLEY

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Message Attributes

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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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Enclosure: n/a
Executive Order: GS
Errors: N/A
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Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 106669
Secure: OPEN
Status: NATIVE
Subject: THIS WEEK IN VENEZUELA
TAGS: PDIP, PINT, PGOV, ENRG, VE
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/e6dbcefb-c188-dd11-92da-001cc4696bcc
Review Markings:
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